1996 - 97
BUSINESS PLAN

Yukon
Government Services

103-03223/

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1. INTRODUCTION

1.1. Purpose of the Business Plan

This business plan identifies the operating objectives of the Agency, the activities to be undertaken over the next two years to meet them and the resources required. It formalizes the management team's commitment to attaining the objectives, forms the basis for the Agency's performance measurement and serves as both a management and an internal communication tool. The plan is updated annually and, as such, illustrates that the Agency is in a state of change and ongoing improvement.

1.2. Mission

The mission of the Fleet Vehicle Agency is:

> ***To help government departments and publicly funded agencies meet their objectives by procuring and managing efficient and affordable ground transportation services.***

1.3. Mandate

The Fleet Vehicle Agency is accountable for:

a) Managing delivery of ground transportation services in a businesslike manner to ensure that the Government's financial resources are used effectively.

b) Meeting the ground transportation needs of its customers by delivering services to them in a customer-oriented manner that enables them to focus on their core businesses.

c) Meeting the public policy objectives of the Government of Yukon.

1.4. Services

The Agency provides comprehensive fleet management to its customers. Vehicles will be assigned on a long-term lease basis, on a day-to-day casual-use basis from a central pool, or as required to meet particular seasonal program needs.

Customers will pay for the ground transportation services provided to them exclusively through the fee for service arrangements embodied in the rate structure defined in Section 6.1. below. All costs arising from the normal operation of vehicles, including fuel, will be paid directly by the Agency (wet rates).

Customized Customer Service Agreements (CSA's) will be used to define levels of service and rates. Separate short-term rental agreements will be used for accessing pool vehicles.

Pool vehicles will continue to be available in some communities to allow for day-to-day casual usage.

Agency vehicles will be equipped with a standard set of emergency equipment, which will be included as part of the base fee for service cost.

As a convenience to its customers, each Agency vehicle will be supplied with a fleet credit card honoured by virtually all commercial outlets in the Yukon.

1.5. Facilities and location

The Agency headquarters is located in the Supply Services building in Whitehorse. The Agency also operates, under contract, two satellite stations based in Dawson City and Watson Lake. The Agency contracts all its maintenance through either government workshops or private sector workshops. The present locations are conducive to providing complete fleet management services to its clients.

Operating hours are from 0730 to 1700, Monday through Friday. Emergency weekend service is also available.

1.6. Critical Success Factors

In becoming a Special Operating Agency, three critical success factors were identified to guide the Agency. These are:

1. Detailed, up-to-date information. The Fleet Vehicle Agency is dependent on accurate and timely information to meet its requirements for management, customer service and for billing purposes.
2. A well-maintained fleet of vehicles at the FVA is dependent upon having an appropriate size and vehicle type fleet to meet the diverse needs of its customers.
3. Knowledgeable, committed staff. The Agency recognizes that its greatest asset is its employees and that their commitment to the Agency's objectives is critical to its success.

The action plans outlined in the various sections of this Business Plan have been formulated to address these factors.

1.7. Agency Structure

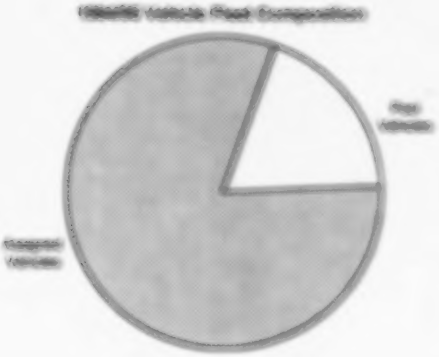
The daily operations of the Agency will be managed by the Chief Operating Officer, who will report directly to the Agency Head, who is the Director of Supply Services. The Chief Operating Officer will provide quarterly financial reports, operational status reports, Annual Business Plans and Annual Reports to the Agency Head and on to the Deputy Minister and Minister for approval.

The Fleet Vehicle Agency is unique in that it is and remains an operating unit with the Supply Services Branch of the Department of Government Services. Agency personnel remain employees of the Yukon Territorial Government and are included under existing collective agreements. The Chief Operating Officer also functions as the Manager of the Transportation/Communications Section of the Supply Services Branch. An estimated one-half of his time is attributed to Agency activities. The Agency Head and the administrative support required for the FVA remain outside of the Agency structure.

Refer to Organization Chart (Appendix A) for more information.

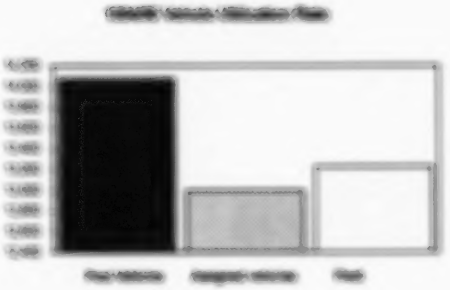
Fleet Profile

At the end of 1994/95, the vehicle fleet was made up of 257 vehicles. There were 203 vehicles assigned to customers, and 54 in the central pool.



Utilization Rates

Customers drove 3.4 million kilometers in fleet vehicles in 1994/95. The fleet average vehicle utilization rate was 13,200 kilometers. This is a key indicator and performance target, both for the agency and its customers for the agency. The agency's objective will be to increase the utilization rate so that the most cost effective use is made of the vehicles. The utilization projection for 1995/96 is 3.3. million kilometers based on YTD as of Dec. 31/95. The target for 1996/97 is to raise the fleet average to 15,000 km.

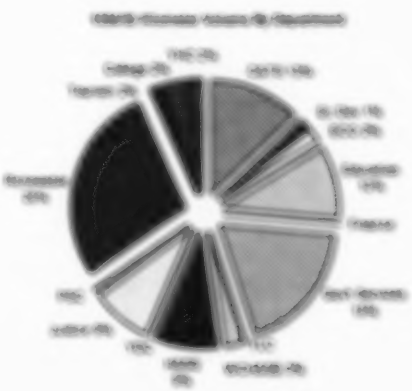


Fuel Efficiency

Gasoline purchases account for 19% of the agency's expenses. In 1994/95, the fleet used an average of 16 liters per 100 kilometers driven (16 MPG). As older vehicles are retired from the fleet, fuel efficiency will improve. The agency will strive to achieve a reduction in fuel consumption of 2 liters/100 km during 1996/97.

Customer Profile

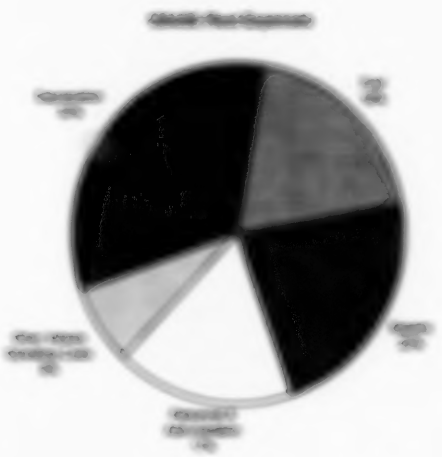
Sixteen Yukon government departments and agencies are customers of the Fleet Vehicle Agency. Together, they drove 3.4 million kilometers in fleet vehicles in 1994/95. Under the accountability framework for special operating agencies, customers will be accountable for the volume of kilometers driven and vehicles used.



Cost Profile

For kilometer costs to own and operate the fleet in 1996/97 are calculated as follows:

Fuel	$0.09
Repairs	$0.10
Personnel & Administration	$0.08
Other Operating Expenses	$0.03
Vehicle Depreciation	$0.12
Total Per Km Costs	$0.40



The agency is accountable for the unit cost of providing ground transportation services for its customers. The target for 1996/97 will be to maintain the overall cost per kilometer.

2. BUSINESS OBJECTIVES

The FVA strives to meet customers' ground transportation needs by providing the type of vehicle when the customer needs it for as long as the customer needs it at a fair and competitive price.

The Fleet Vehicle Agency operates in four interrelated areas which encompass the acquisition, allocation, operation and disposal of fleet vehicles.

2.1. Acquisition:

In pursuit of its objective of matching customer needs with market options at a cost-effective price which addresses both purchasing and operating costs, FVA will manage the acquisition of vehicles by:

- establishing the appropriate mix and size of rent/lease/purchase vehicles in the fleet,
- setting cost effective specifications (vehicle type, features, target operating costs, etc.) for vehicles to be acquired for the fleet,
- within the public policy objectives of the government, arranging vehicle acquisitions in such a way as to maximize the purchasing power of the government, and
- entering into acquisition arrangements which minimize the life cycle costs of vehicles in the fleet.

There were 257 vehicles in the fleet as of March 31, 1995, not including vehicles rented directly by departments. The long term target size of the fleet will reflect the best combination of cost efficiency and customer service requirements.

Performance indicators:

- Customer satisfaction re the type of vehicles in the fleet.
- Cost per kilometer over the life of the vehicle.
- Appropriate amortization schedules for vehicles in the fleet.

2.2. Allocation:

In pursuit of its objective of meeting the diverse needs of many customer departments, and making the best possible use of each vehicle in the fleet, FVX will manage vehicle utilization rates by:

- allocating vehicles to allow for optimum utilization of each vehicle,
- establishing rate guarantees through long-term service agreements,
- establishing rate structure that promotes greater utilization, and
- meeting public and railway through vehicle rentals.

Performance indicators:

- Customer satisfaction with the level of service.
- Utilization rate.

2.3. Operation:

In pursuit of its objective to maximize the operating cost profile of the vehicle fleet, FVX will manage the unit cost of operations by:

- decreasing the kilometers driven per vehicle each year. The current per vehicle average is 15,200 km/yr. The long range target is 20,000 km/yr. The target for 1996/97 is 17,000 km/yr.
- monitoring safe driving practices and driver habits primarily through the use of client witness cards in fleet vehicles,
- negotiating favourable maintenance, repair, fuel, supply, insurance and cleaning services for the fleet,
- acquiring reliable, fuel efficient vehicles, and
- monitoring performance of vehicle/driver/preventive maintenance to ensure optimum vehicle performance.

Performance indicators:

- per day, month, year and per kilometre costs charged to customers,
- variance of actual costs to estimates on scheduled maintenance,
- customer trip profiles (speed and economy of operation),
- customer satisfaction.

2.4. Disposal:

In pursuit of its objective of maintaining the service and cost standard of the vehicle fleet, FVX will manage vehicle safety, cost and utilization profiles by disposing of vehicles when:

- the condition of the vehicle does not meet safety/licensing standards,

- [redacted]
- [redacted]

[redacted]

- [redacted]
- [redacted]

5. [redacted]

[redacted]

5.5. [redacted]

[redacted]

5.6. [redacted]

[redacted]

Fleet Vehicle Agency(FVA)
Business Architecture

3.3. Financial Systems:

- Establish a revolving fund.
- Establish the Agency's financial system and authorities.
  - Establish mechanisms to pay for the FVA from a Revolving Fund.
  - Establish mechanisms to get money from the customers into the Fund.
  - Establish arrangement with asset management to ensure that funds received from disposed vehicles is returned to the Fund.
- Develop and receive approval for a Fee for Service Rate Schedule applying both variable and constant rates.
- Establish procedures for departmental signing authorities.
- Establish and implement a financial system.
  - Accounts payable and receivable.
  - Chart of Accounts.
  - Develop financial statements.

3.4. Operations:

- Re-engineer Agency operating procedures.
- Implement Customer Service Agreements.
- Revamp a list of emergency equipment supplied with vehicles.
- Implement a standardized a preventive maintenance program.
- Negotiate and implement maintenance contracts in both Whitehorse and the communities.
- Develop a viable plan for vehicle insurance.
- Establish a reporting function for the Silent Witness driver safety and efficiency monitoring program.
- Negotiate arrangements with Property Management for the administration of the community based pools.

3.5. Human Resources

- Train staff in current and new operational and financial systems.

4. WORKPLAN OBJECTIVES - 1996/97

1996/97 will be the first year of working under a fee for service business plan. Objectives for 1996/97 are:

4.1. Information Systems:

- Full implementation and optimization of the Fleet Management Information System.

4.2. Financial Systems:

- Re-evaluate rate and depreciation schedules and revenue projections prior to 1997/98 fiscal year.
- Prepare FVA call letter to departments in advance of the O & M Budget Call letter.
- Re-evaluate the fleet size and replacement of vehicles.

4.3. Operations:

- Enhance the service strategy by working closely with all clients to establish a list of extra services that may be offered over and above the basic use of vehicles.
- Continue monitoring and reporting usage and costs for the purpose of establishing a fair price schedule, both fixed and variable, with the intention of keeping costs to clients at a minimum.
- Investigate the viability of positioning small pool fleets in other communities.

4.4. Human Resources:

The Agency will continue "customer first" training programs. The Agency will be providing training to all staff to ensure the customer can be served properly regardless of whom they first come into contact with.

The Agency will continue to train all staff in the use of all available electronic tools. Use of all available systems to their maximum potential will assist the Agency in working towards an eventual paperless office.

Performance Management: With staff accepting greater accountability for their actions and with an improved streamlining of activities, the Agency will take steps to ensure position descriptions are reflective of these changes. The Agency will be setting performance standards for each position and link performance objectives to organizational goals.

5. FUTURE DIRECTIONS AND OPPORTUNITIES

With the potential for departments to eventually have access to the Agency's database, it will encourage both the Agency and its clients in working closer together in analyzing all aspects of vehicle costs.

The Agency will continue to seek for better business management opportunities, encourage feedback from its clients on levels of service being provided and formalize sound partnership agreements with the Agency's private sector service suppliers throughout the Yukon.

Staff training, particularly in the technology and service areas, will be encouraged. This will ensure all staff are conversant with the services provided by the Agency, how these services can best be provided, how to use the tools at their disposal to provide the services, to be fluent on all tasks and how to communicate this expertise to Agency clients.

As a long-term initiative, the Agency will investigate the possibilities of offering vehicles to non-government agencies funded by the Government of Yukon and to the departments and agencies of other levels of government operating in the Yukon.

The Agency will explore implementation of modern communications technology that will allow clients access to the vehicle information housed at the Agency.

6. FINANCIAL PERFORMANCE

6.1. Financial Objectives:

The operations of the Fleet Vehicle Agency are expected to generate revenue sufficient to meet its operational and maintenance requirements as well as the orderly replacement of assets. Appendix B provides financial projections for the 1996/97 fiscal year.

6.2. Revolving Fund:

The Fleet Vehicle Agency will operate on a revolving fund basis. An initial appropriation of $700,000 has been requested to fund the vehicle purchases in 1996/97. This is an initial installment of a total $2.7 Million appropriation to be requested during the first three years of the agency to fund the depreciation which accrued against the current fleet prior to the start of fee for service delivery. For 1996/97, all vehicles will be capitalized into the revolving fund. Ancillary office equipment and furniture is excluded from the revolving fund. Vehicles will be replaced in an orderly fashion based on scheduled rates of depreciation by class and category of assets. See Appendix B for additional information on depreciation schedules.

Personnel costs will be charged out of the Operating and Maintenance budget of the Department of Government Services. The Agency's revolving fund will contribute an amount equal to the salary requirements to offset the Department's costs.

6.3. Assumptions and Rationale:

The financial statements in Appendix B are based on the following assumptions:

- Vehicles will depreciate over their useful life on a straight-line basis with an estimated 10% salvage value.
- Depreciation includes a 7% per annum inflation factor to compensate for rising costs of replacement vehicles. (4x4's are depreciated over 6 years. Cargo vans, stake trucks and heavy-duty trucks are depreciated over 10 years. All other vehicle types have a 7 year life span.)
- The Agency will recap salvage values from vehicles which are disposed of.
- For 1995-96, there will be no charge incurred by the Agency for office accommodations from the Property Management Agency (PMA). The FVA recognizes this may change in future years. Rate schedules will be adjusted accordingly to reflect these changes.
- Vehicle revenue and operating expenses assume no growth in distance and fleet size for 1996-97. Economies will be met by increasing average utilization beyond the current 13,200 km/year.
- Vehicle acquisitions will coincide with the start of the new model year (October) in order to maximize the resale value of the assets.
- Projections do not include any increased revenues anticipated from the possible expansion of the Agency's mandate.

7. HUMAN RESOURCES

7.1. Objectives

As noted in Section 1.6. .Critical Success Factors., the Agency recognizes that the commitment and skills of its staff are paramount to achieving its objectives. At the same time, it is recognized that due to limitations in staff numbers that there will remain a requirement for management and administrative support by the department and the branch. The role of the Agency is primarily to deliver service to the customers and provide the necessary databases. Administrative support and processing services remain external to the organization.

FVA staff have already been trained in customer service and will continue to receive additional training in the future. Given the small size of the Agency, all employees will be cross trained in all aspects of the Agency's operations.

It will be a major focus of the FVA to upgrade the skillsets of its employees, particularly in the area of automated information systems and data entry.

7.2. Agency Management

The Agency's management provides financial advice and guidance to both the Agency and its clients. This area must be able to provide consistent financial leadership and direction, adopt best business practices from both the private and public sectors, and communicate results in a way that is well understood by a wide range of stakeholders.

This area will also provide comprehensive vehicle information to the Agency's clients through a proposed Fleet Management Information System. This system will also provide much needed information to the Agency in areas of maintenance and operating costs.

Improved information reporting will become available throughout 1995/96 as the Agency strives through its first year of operation. The Agency also proposes to hold meetings with clients to determine the type of information they will be seeking.

Under full staff commitment, this Business Plan for the Fleet Vehicle Agency has been prepared and submitted by:

Rick Curial, Agency Head

Ray Pilloud, Chief Operating Officer

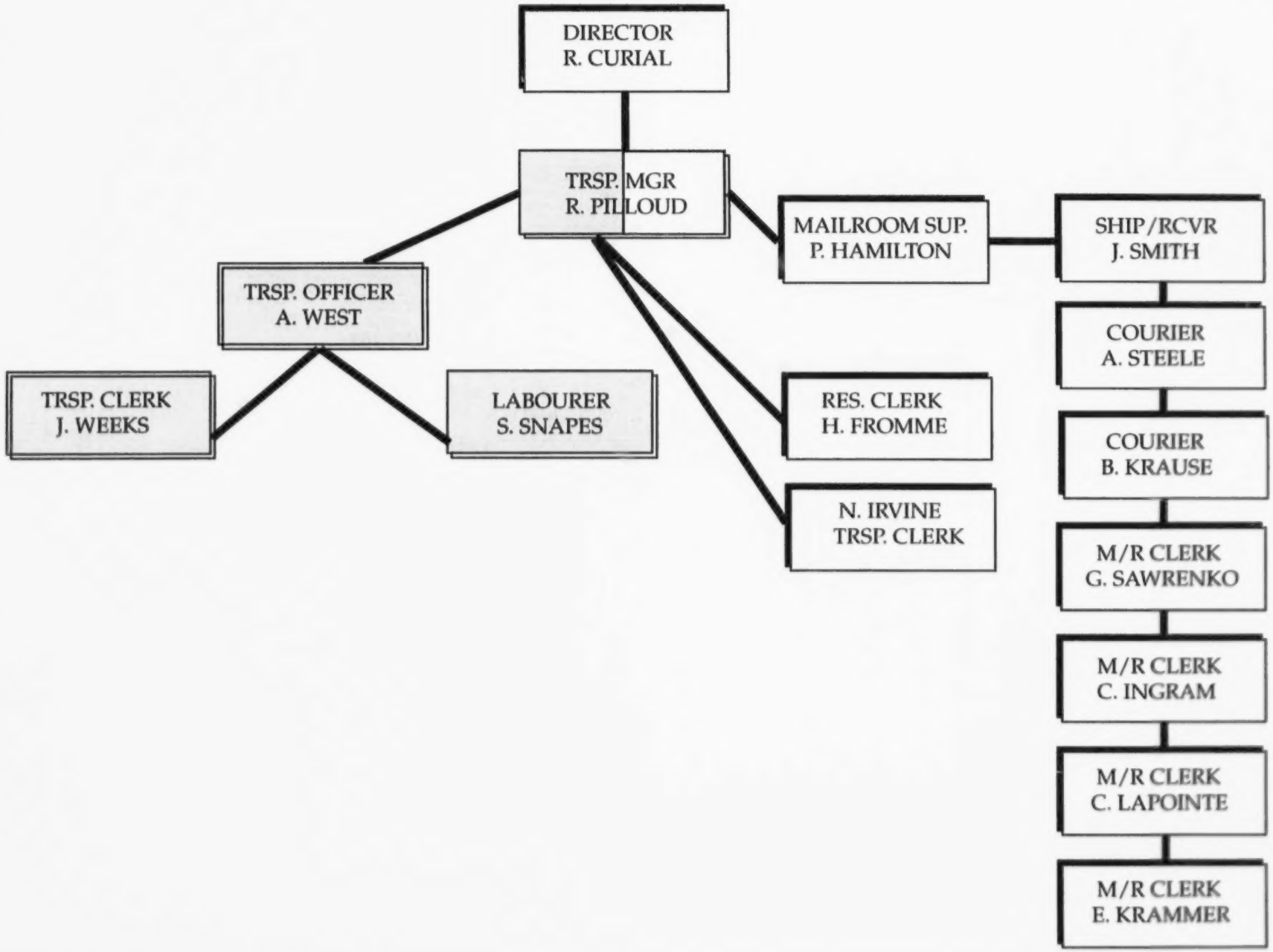
Alan West, Transportation Officer

Julie Weeks, Transportation Clerk

Stan Snapes, Labourer

APPENDIX A

ORGANIZATION CHART


DIRECTOR
R. CURIAL
TRSP. MGR
R. PILLOUD
TRSP. OFFICER
A. WEST
TRSP. CLERK
J. WEEKS
LABOURER
S. SNAPES
MAILROOM SUP.
P. HAMILTON
SHIP/RCVR
J. SMITH
COURIER
A. STEELE
COURIER
B. KRAUSE
M/R CLERK
G. SAWRENKO
M/R CLERK
C. INGRAM
M/R CLERK
C. LAPOINTE
M/R CLERK
E. KRAMMER
RES. CLERK
H. FROMME
N. IRVINE
TRSP. CLERK

APPENDIX B

1996-97 FINANCIAL STATEMENTS

Financial Statements for Fiscal Year 1996/97
(in Thousands)

Revenues and Expenses

Revenues	
Vehicle Leases (assigned and pool vehicles)	1601.0*
Gain on disposal of vehicles	49.0
Expenses	
Salaries and benefits	185.9
Vehicle operating expenses	598.1
Administrative expenses	4.5
Vehicle purchases	400.0
Depreciation	300.0
Contracted services	30.0
Surplus (deficit)	**131.5***

* Not a final figure

Fleet Vehicle Fund

Balance at April 1, 1996	700.0
Add: Projected Revenue	1650.0*
Subtract: Projected Expenses	1518.5
Balance at March 31, 1997	**831.5***

* Not a final figure

PROJECTED EXPENDITURES SCH. (####-###)

Vehicle Type	# of Vehicles	TP Sch Drives	Service Intervals	# of Services	Cost per Service	Total service cost
4 X 4 Trucks	10	91,821	7500	37	$ 60.00	$ 2,221.00
Buses 2 X 4	2	14458	7500	1	$ 40.00	$ 191.00
Buses 4X4	10	114873	7500	15	$ 60.00	$ 1,274.00
Car	30	210784	7500	28	$ 40.00	$ 1,059.00
Cargo Van	45	394771	7500	95	$ 60.00	$ 5,699.00
Cube Van	5	29660	7500	3	$ 60.00	$ 191.00
Heavy Duty	1	1245	7500	1	$ 60.00	$ 60.00
Passenger Van	20	76838	7500	11	$ 60.00	$ 697.00
Pick-up	15	234882	7500	34	$ 60.00	$ 2,101.00
Stake Truck	9	110131	7500	15	$ 60.00	$ 1,259.00
Suburban 4 X4	6	126101	7500	17	$ 60.00	$ 1,121.00
Suburban 4 x 2	4	19438	7500	3	$ 60.00	$ 181.00
Total projected expenditures for service						$ 16,052.00
Maintenance Checks (287 @ $99.99)						$ 15,999.00
				Subtotal		$ 99,999.99
Major Services at 60,000 kilometers (10 @ $325.00)						$ 3,272.00
				Subtotal		$1,999.99
Accident related repairs						$ 99,999.00
				Subtotal		$ 199,999.99
Registrations & Communications (210 x $287.99)						$ 99,999.00
				Subtotal		$ 199,999.99
General mechanical repairs						$ 199,999.00
				Subtotal		$ 999,999.99
Gasoline						$ 299,999.00
				Subtotal		$ 999,999.99
Safety Equipment						$ 9,999.00
				Subtotal		$ 999,999.99
Contract Services						$ 99,999.00
				Subtotal		$ 999,999.99
Salaries	Manager	$ 99,999				
	Transportation Officer	$ 99,999				
	Transportation Asst.	$ 99,999				
	Transportation Labourer	$ 99,999				$ 999,999.00
	Benefits @ 10.0 %					$ 99,999.00
				Subtotal		$ 999,999.99
Vehicle Acquisition (20 Units)						$ 999,999.00
				Subtotal		$ 1,999,999.99
Depreciation Estimate						$ 999,999.00
				Subtotal		$ 1,999,999.99
				Total expenses		$ 1,999,999.99
				Total revenue		$ 1,999,999.99
				Balance		$ 199,999.99

PROJECTED EXPENDITURES (CY 20[illegible]-[illegible])

Vehicle Type	# of Vehicles	Total Miles	Service Intervals	# of Services	Total Labor Hours	Total Service Cost
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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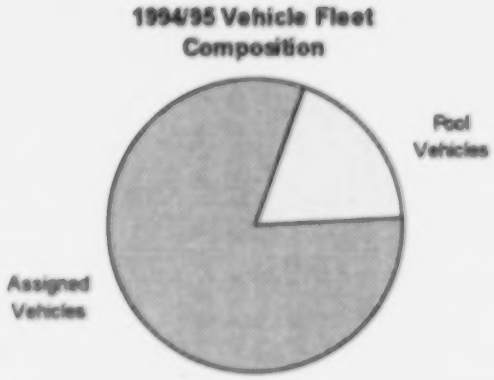
APPENDIX C

VEHICLE CUSTOMER AND COST PROFILES

A. FLEET PROFILE

1994/95 Fleet Vehicle Composition

	Pool Vehicles	Assigned Vehicles	Total Vehicles
4x4 Trucks	3	41	44
Bronco 2x4	-	2	2
Bronco 4x4	1	6	7
Car	35	50	85
Cargo Van	3	46	49
Cube Van	-	1	1
Heavy Duty	-	1	1
Pass. Van	4	15	19
Pick Up	5	22	27
Stake Truck	1	8	9
Suburban	2	9	11
Suburban 4x4	-	2	2
	54	203	257

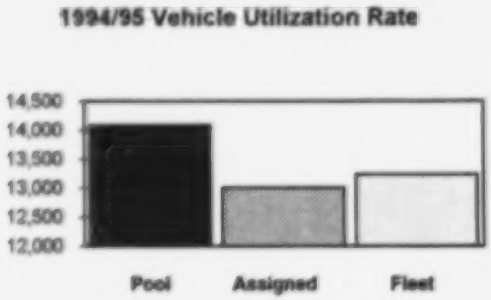


1994/95 Fleet Vehicle Usage

	Pool Km	Assigned Km	Total Km
4x4 Trucks	5,546	740,348	745,898
Bronco 2x4	-	25,282	25,282
Bronco 4x4	-	188,646	188,646
Car	582,758	704,480	1,287,238
Cargo Van	-	473,294	473,294
Cube Van	-	9,780	9,780
Heavy Duty	-	718	718
Pass. Van	60,439	44,768	105,207
Pick Up	102,347	171,022	273,369
Stake Truck	9,330	138,137	147,467
Suburban	-	137,280	137,280
Suburban 4x4	-	25,045	25,045
	760,422	2,638,760	3,399,182

1994/95 Fleet Vehicle Utilization Rates

	Pool Vehicles (Km/Yr)	Assigned Vehicles (Km/Yr)	Fleet (Km/Yr)
4x4 Trucks	1,849	18,057	16,952
Bronco 2x4	-	12,631	12,631
Bronco 4x4	-	28,108	24,092
Car	16,650	14,090	15,144
Cargo Van	-	10,289	9,659
Cube Van	-	9,780	9,780
Heavy Duty	-	718	718
Pass. Van	15,110	2,985	5,537
Pick Up	20,469	7,774	10,125
Stake Truck	9,330	17,267	16,385
Suburban	-	15,251	12,478
Suburban 4x4	-	12,523	12,523
	14,082	12,989	13,226



1994/95 Fuel Consumption (based on average fuel cost)

	Fuel Expenses	Liters	Liters per 100 Km	Miles per Gallon
4x4 Trucks	$69,509	186,474	25.0	11.3
Bronco 2x4	$1,769	3,884	14.6	19.4
Bronco 4x4	$15,178	31,621	16.8	15.1
Car	$51,490	107,270	8.3	33.9
Cargo Van	$56,796	116,324	25.0	11.3
Cube Van	$1,467	3,056	31.3	9.0
Heavy Duty	$115	239	33.3	8.5
Pass. Van	$13,677	28,494	27.1	10.4
Pick Up	$24,603	51,257	18.8	15.1
Stake Truck	$19,171	39,939	27.1	10.4
Suburban	$12,353	25,736	16.8	15.1
Suburban 4x4	$4,007	8,348	33.3	8.5
Fleet average liters/100 km			17.9	
Fleet average miles/gallon				15.9

B. CUSTOMER PROFILE

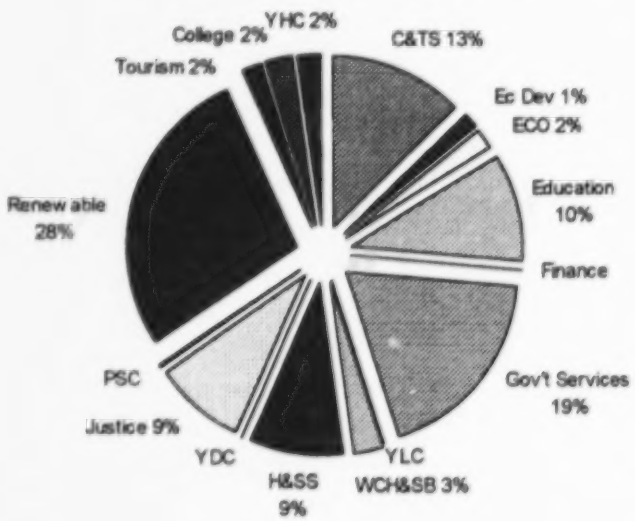
1994/95 Kilometer Volume By Department

	Pool Km	Assigned Km	Total Km
C&TS	104,042	330,891	434,933
Ec Dev	20,691	23,420	44,111
ECO	58,211	8,025	66,236
Education	225,865	121,985	347,850
Finance	2,774	-	2,774
Gov't Services	14,641	616,123	630,764
H&SS	81,177	222,542	303,719
Justice	53,131	236,217	289,348
PSC	10,518	-	10,518
Renewable	24,217	913,463	937,680
Tourism	75,175	-	75,175
WCH&SB	3,631	87,283	90,914
YHC	1,790	78,811	80,601
YDC	1,466	-	1,466
YLC	7,593	-	7,593
College	75,500	-	75,500
	760,422	2,638,760	3,399,182

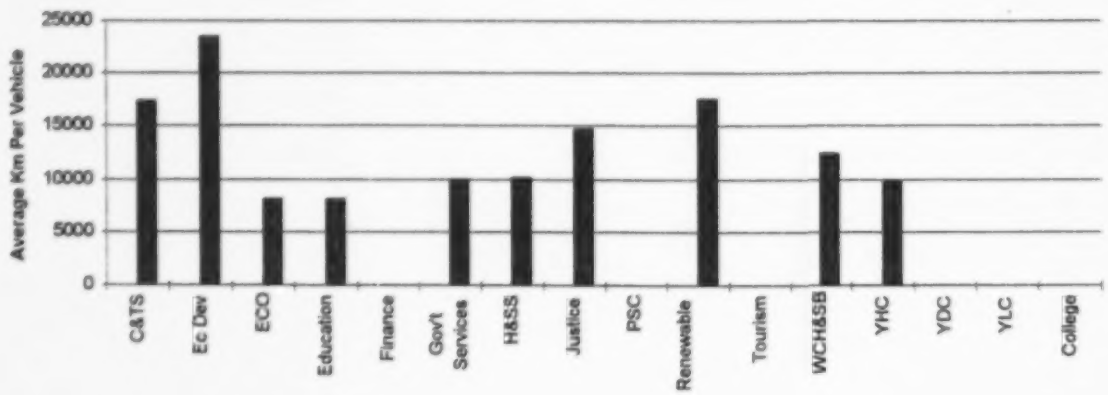
Utilization Rates for Assigned Vehicles By Department

	Assigned Vehicles	Utilization Rate
C&TS	19	17,415
Ec Dev	1	23,420
ECO	1	8,025
Education	15	8,132
Finance	0	-
Gov't Services	62	9,937
H&SS	22	10,116
Justice	16	14,764
PSC	0	-
Renewable	52	17,567
Tourism	0	-
WCH&SB	7	12,469
YHC	8	9,851
YDC	0	-
YLC	0	-
College	0	-
Total vehicles	203	
Av utilization rate		12,999

1994/95 Kilometer Volume By Department



Departmental Assigned Vehicle Utilization Rates



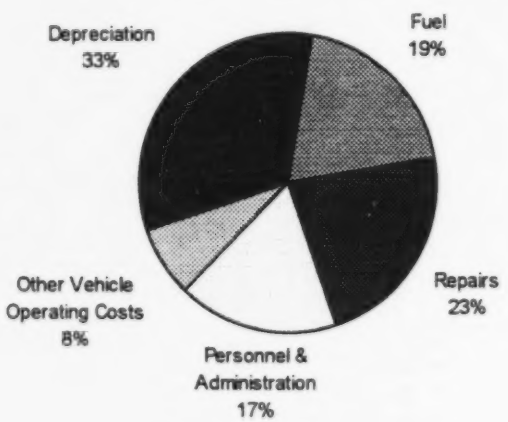
C. COST PROFILE

1994/95 Restated Expenses*

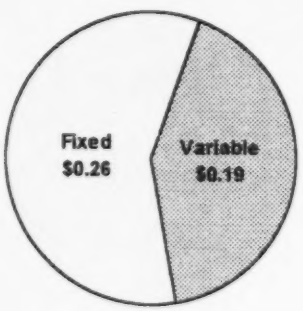
	Fuel Expenses	Repair Expenses	Total Variable Expenses	Personnel & Administration	Other Vehicle Operating Costs	Depreciation	Total Fixed Expenses	Total Expenses	Per Km
4x4 Trucks	$91,307	$76,089	$167,395	$33,495	$19,688	$114,404	$167,589	$334,984	$0.45
Bronco 2x4	$1,804	$2,319	$4,123	$1,264	$895	$2,829	$4,988	$9,111	$0.36
Bronco 4x4	$15,483	$15,483	$30,966	$6,320	$3,132	$19,526	$28,979	$59,945	$0.36
Car	$52,524	$118,180	$170,704	$120,078	$38,035	$154,160	$312,274	$482,978	$0.38
Cargo Van	$57,937	$62,765	$120,702	$36,655	$21,926	$66,848	$125,430	$246,132	$0.52
Cube Van	$1,496	$1,197	$2,694	$632	$447	$1,050	$2,129	$4,823	$0.49
Heavy Duty	$117	$161	$278	$632	$447	$3,184	$4,264	$4,542	$6.33
Pass. Van	$13,952	$12,879	$26,830	$19,592	$8,502	$47,064	$75,158	$101,988	$0.97
Pick Up	$25,098	$25,098	$50,195	$26,544	$12,082	$42,295	$80,920	$131,116	$0.48
Stake Truck	$19,556	$22,565	$42,121	$7,584	$4,027	$14,994	$26,605	$68,726	$0.47
Suburban	$12,602	$9,801	$22,403	$10,744	$4,922	$35,745	$51,412	$73,815	$0.54
Suburban 4x4	$4,068	$2,299	$6,387	$1,264	$895	$6,065	$8,224	$14,611	$0.58
	$295,964	$348,836	$644,800	$264,804	$115,000	$508,165	$887,970	$1,532,770	
Per Km Cost	$0.09	$0.10	$0.19	$0.08	$0.03	$0.15	$0.26		$0.45

* Statement of 1994/95 expenses restated for budgeting purposes and for comparison with expenses as they will be incurred by the Fleet Vehicle Agency in 1996/97

1994/95 Fleet Expenses



1994/95 Per Kilometer Expenses



APPENDIX D

SAMPLE DEPARTMENTAL SERVICE LEVEL AGREEMENTS

GENERAL TERMS & CONDITIONS

OUR COMMITMENTS TO YOU , OUR CUSTOMERS:

We will:

- diligently carry out our roles and responsibilities as described in the Business Plan and this agreement to meet your ground transportation needs.
- provide services to you following standards, directions, guidelines and procedures of the Yukon Government.
- supply vehicles to our customers at fair rates.
- be responsible for minimizing unit costs for operation where possible.
- include all associated O & M costs including fuel in our rates.
- provide **"Show Back"** reports which will detail departmental usage and costs.
- will make best efforts to provide information to meet customers needs from time to time.
- will provide all accident related repairs to fleet vehicles.

YOUR OBLIGATIONS AND COMMITMENTS TO US:

You agree that during the term of this agreement you will:

- be responsible for forecasting & budgeting for ground transportation requirements,
- submit monthly usage logs for assigned vehicles as supplied by the agency,
- acknowledge that the vehicle is the property of the Fleet Vehicle Agency and was received in good condition except as noted. Renter will return vehicle to Fleet Vehicle Agency, together will all tools, accessories and equipment, in the same condition as received, ordinary wear and tear excepted. Vehicles should be returned on the date and time specified unless prior arrangements have been made to delay or advance the return of the vehicle,
- operate the vehicle in compliance with all established policies and procedures,
- be liable for all traffic and parking violations,
- agree to care for all tools, accessories and equipment and will be charged the cost of replacement of any such items not turned back with the vehicle.
- agree to report all accidents/incidents through the normal government procedures,
- acknowledge that the vehicle may be equipped with a "Trip Monitoring Device",
- agree not to carry, in the rented vehicle; explosives, firearms, flammable materials, liquor or pets without special written approval of the Fleet Vehicle Agency. (Renewable Resources excepted, refer to RRD #22/94),
- not sub-lease, rent or lend the rented vehicle to parties outside the renting department,

- accept responsibility for the care of the vehicle while in your possession,
- acknowledge that anyone signing for the use of a vehicle will be seen as an authorized signature.
- be utilizing the services of the Pool Fleet from time to time and agree to all terms and conditions,
- be responsible to turn in your vehicles for regular scheduled servicing. (Schedules will be given out at the time of vehicle pick up)
- pay the yearly rate for assigned vehicles at the beginning of each fiscal year and pay the kilometer rates for all assigned vehicles plus pool vehicle usage at the end of each month based on the following rate structure schedule.

1996-1997
PUBLISHED RATE STRUCTURES

Vehicle Type	Assigned Vehicles		Pool Vehicles			
	Yearly	Per Km	Monthly	Weekly	Daily	Per Km
4X4 Truck	$4,260	0.22	$465	$195	$39	0.22
Bronco 2X4	$3,024	0.16	$366	$153	$31	0.16
Bronco 4X4	$4,452	0.18	$480	$202	$40	0.18
Car	$3,444	0.13	$399	$167	$33	0.13
Cargo Van	$2,964	0.25	$362	$152	$30	0.25
Cube Van	$2,640	0.27	$335	$141	$28	0.27
Heavy Duty	$4,872	0.38	$513	$215	$43	0.38
Passenger Van	$4,128	0.25	$454	$191	$38	0.25
Pick Up	$3,180	0.18	$378	$159	$32	0.18
Stake Truck	$3,288	0.28	$387	$162	$32	0.28
Suburban	$4,932	0.16	$519	$218	$44	0.16
Suburban 4X4	$4,716	0.25	$501	$210	$42	0.25

Note: School vans will be included under the Agency rate structure by special arrangement.
See Appendix "B"

• Fleet Vehicle Agency shall not be responsible for loss or damage to any property left or stored in the vehicle

The Fleet Vehicle Agency reserves the right to re-allocate assigned vehicles as necessary in order to achieve maximum utilization. Vehicles that are re-assigned will be replaced with similar type vehicles. Specialty type vehicles are excluded unless mutually agreed upon by both parties.

FLEET COMPLEMENT

The fleet is made up of a variety of vehicles, the most common being cars, cargo vans, and 4X4 trucks. Based on historical use and demand, some types are in limited supply.

- 4X4 trucks
- Bronco 2X4
- Bronco 4X4
- Cars
- Cargo vans
- Cube van
- Heavy duty
- Passenger vans
- Pick-up trucks
- Stake truck
- Suburban 2X4
- Suburban 4x4

LIABILITY INSURANCE

For Indemnification for employees operating government vehicles, please refer to Human Resources Policy 3.10 "Indemnification".

VEHICLE REPLACEMENT

Vehicles will be normally replaced when the general condition combined with mechanical condition and amortization schedule suggests that the vehicle is no longer cost effective.

AMORTIZATION SCHEDULE

• 4x4 trucks	6 years
• Cargo vans	10 years
• Cube vans	10 years
• Heavy duty	10 years
• Stake trucks	10 years
• Pickup trucks 4x2	7 years
• Suburbans	7 years
• Bronco 2x4	7 years
• Bronco 4x4	7 years
• Cars	7 years
• Passenger van	7 years
• Suburban 4x4	7 years

Acknowledgment:

The parties acknowledge:

a) that _____(customer) will be assigned vehicles as stated and/or will be utilizing the pool fleet.

b) that all terms and conditions have been agreed to by both parties.

c) that all requests for vehicles will be done through the use of a duly signed Request for Transportation.

d) that vehicles requested will be picked up at the Fleet Vehicle Agency headquarters at 9029 Quartz Road, Bldg 277 in Whitehorse or satellite stations in Dawson City or Watson Lake.

Approved for Customer by:

_____

Deputy Minister

_____

Date

Approved for Government Services by:

_____

Agency Head

_____

Date

AGENCY MANAGEMENT AGREEMENT

CLIENT:

SCOPE OF SERVICE:

The Department of Government Services, Fleet Vehicle Agency and you, our customer, agree that the vehicles marked below will be provided as required.

ASSIGNED VEHICLES:

Vehicle type	Number of units required	Hourly rate	Total fixed cost
4x4 Trucks			
2/4 Bronco			
4/4 Bronco			
Cars			
Cargo vans			
Cube vans			
Heavy duty trucks			
Passenger vans			
Pick up trucks			
Stake trucks			
2/4 Suburbans			
4/4 Suburbans			

See "Appendix B" for detailed listing of assigned units

DURATION:

This agreement shall remain in effect for a term from April 01, 1996 to March 31, 1997